



Approved For Release 2004/08/31 : CIA-RDP85B00803R000100040022-6

NRO review(s) completed.

CORONA - LMSD Sub w/GE

Letter of authorization from MSD of LAC to GE 29 April 58 to submit a proposal for recovery vehicle. GE replied with proposal for definitive contract 16 Sept 1958. [redacted] quoted [redacted]

Definitive contract for "Advanced Recovery Vehicle and Associated Ground Support Equipment, ~~xxxxxx~~ signed second week of Jan 1959.

(approved by Contr Off DMK 9 Jan 1959)

24 Feb 1959



GE to be told to continue at the rate contemplated by new budget of [redacted]

AF has similar deficit of [redacted] They have agreed in principle to accept the deficit and will handle same directly with Lockheed.

/s/ GFK
Dir/R&D, DPD-DD/P

COR-0364/ 4 Mar 1959 / Memo for DD/P from [redacted]
Sub: Mtg on Cost Overrun by GE Contr Negotiator

Meeting at GE on above [redacted] of both [redacted] held 2-3 March 1959.

QUOTE
REF

"It appeared that G.E. had more than its share of trial and error approaches to problems which needed to be solved. Difficulties developing rockets and rocket propellants were encountered in several areas because of the stringent limitations of weight and size imposed upon their design. Each development was an advance in the "state of the art" and there were a good many "busts." The Ablation Shield of the Nose Cone has created costly problems. In this particular instance the shield must be a structural part of the cone and this has never been done before. A rejection rate of 2 to 1 is being encountered. Considerable changes have been made in the biomedical portion of the program which has resulted in increased costs. And last, but perhaps most important, it is believed that the subcontractor was overly optimistic in its original cost quotations and did not appreciate the difficult problems involved.

"Project Control System" established by GE to prevent further such overruns.

GE had second tier
CPFF contract w/
Thiokol Chem
Corp, Edison, Ind.

100-8

10 May 63

Final price
settlement along



CORONA I ~~DPD-5429-59~~ Suppliers Meeting
3 Aug 1959 mtg at Statler Hilton on COB and ARGON.
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Lockheed Contract RT- 100. Contractor queried whether the present target contract price could be considered ceiling price except for [] shortage agreed to cover with '60 funds.

[] on Itek existed because of an increase in their overhead rate. In discussion of GE overrun question of profit had been overlooked; to best knowledge, Contractor had agreed to accept no profit on this amount. Addtl profit wld total [] FY '60 funding reqd instead of the [] previously anticipated. Due to uncertainties, Contractor said ceiling shld be [] the contract target price, []

[] Contr Off said he wld recommend the [] be added to cost as reasonable amt between target and ceiling but did not mean he accepted request for profit on GE overrun or engineering overhead.

COR II: ~~DPD-5429-59~~ Give contract will be written. [] believes [] shld not hold for subcontracts -- better rate would be []